



**“Rikhav Securities Limited  
H2 FY25 and FY25 Results Conference Call”  
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**MANAGEMENT: MR. HITESH LAKHANI – CHAIRMAN AND MANAGING  
DIRECTOR – RIKHAV SECURITIES LTD  
MR. RAJENDRA SHAH– WHOLE-TIME DIRECTOR AND  
CHIEF FINANCIAL OFFICER – RIKHAV SECURITIES  
LTD  
MR. DEEP LAKHANI – HEAD OF TECHNOLOGY –  
RIKHAV SECURITIES LTD**

**MODERATOR: MR. GANESH NALAWADE – KIRIN ADVISORS**

**Moderator:** Ladies and gentlemen, good day and welcome to H2 FY25 and FY25 Results Conference Call of Rikhav Securities Ltd. hosted by Kirin Advisors Pvt. Ltd. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Ganesh Nalawade. Thank you and over to you, sir.

**Ganesh Nalawade:** Thank you. Good afternoon, everyone. On behalf of Kirin Advisors, I welcome you all to the conference call of Rikhav Securities Ltd.

From management team, we have Mr. Hitesh Lakhani, Chairman and Managing Director, Mr. Rajendra Shah, Whole-time Director and CFO, and Mr. Deep Lakhani, Head of Technology. With that introduction, now I hand over the call to Mr. Hitesh Lakhani for the opening remarks. Over to you, sir. Thank you.

**Hitesh Lakhani:** Good afternoon, everyone. It gives me great pleasure to welcome you all to the very first earnings conference call of Rikhav Securities Ltd. post our listing. We are delighted to have you with us today and truly value your time and interest in our company. Since this is our maiden interaction on this platform, I would like to begin by giving you a brief overview of who we are and what we stand for.

Rikhav Securities Ltd. is a diversified stock market service provider, formally launched in 2005. Though our roots track back to 1995, over the years, we have built a reputation for combining personalized financial services with competitive pricing, always with a strong client-first philosophy. Today, we serve a broad and growing base of clients, from high-net-worth individuals and active traders to retail investors and institutions across all major Indian exchanges.

Our core business is equity broking. We offer a wide spectrum of services, including cash markets, futures and options, and commodity derivatives. We are proud to be a self-clearing member with ICCL, which allows us to ensure smooth and secure settlement of trades. Additionally, we assist clients in IPO participation and provide depository services through CDSL for demat, account opening, and maintenance.

Beyond broking, we act as a mutual fund distributor and advisor, guiding our clients in navigating the wide range of available investment options. We are also actively engaged in market making of SME IPOs, enhancing liquidity and market debt for newly listed SME stocks. With over a decade of experience as a registered market maker with BSE and NSE, this continues to be an important part of our value proposition.

We also have a strong proprietary trading division that deploys capital using algorithmic strategies, delta hedging, and arbitrage models. These strategies are supposed to be an automated risk management system that ensures disciplined, consistent performance with a strong emphasis on capital preservation.

More recently, we launched our margin trading facility, extending credit to our clients against their holdings, helping them trade with greater flexibility, but always within our stringent risk control. From a technology perspective, we are proud of the steps we have taken to digitalize our client's onboarding and trading infrastructure.

We recently introduced the Meon Aadhaar-based eKYC platform, a solution that simplifies customer onboarding through real-time Aadhaar verification. This eliminates the need for physical documentation, ensures regulatory compliance, enhances data security, and reduces operational costs for both us and our clients.

In parallel, we have also rolled out our flagship mobile trading app, Rikhav Plus, a dynamic and user-friendly platform that empowers our clients to invest, trade, and grow their wealth in real-time. Some of the key features of Rikhav includes multi-asset trading across equity, commodities, and derivatives on NSE, BSE, and MCX, real-time market data and streaming codes, customization, watch lists, and detailed portfolio tracking, seamless order execution across delivery, margin, and intraday, high-end security with multi-level authentication, clean intuitive interface for smooth user experience.

With this application, now live on Android and iOS, we are strengthening our brand digital presence and bringing smart investing to the fingertips of every Indian. The second half of this financial year presented several challenges for the broader broking industry, and we were not immune to this development. Market sentiment weakened considerably, particularly in the mid-cap and SME segments, which showed a decline of nearly 20%-25% during this period.

Additionally, the derivatives segment experienced a sharp drop in trading volumes. This was largely driven by recent regulatory changes introduced by the SEBI, which while aimed at ensuring greater market stability and investor protection, have temporarily impacted trading activity and, in turn, our broken revenue in H2O. Alongside these external headwinds, we also undertook a significant strategic shift in our internal investment classification framework during the financial year ended on March 31, 2025.

The company conducted a comprehensive review of its investment policies. As a result of these strategic reassessments and broader changes in our business model, we classified certain equity shares previously held as a non-current investment and valued at cost as a stock in trade. These changes reflect our revised intent to hold those shares for active trading purposes going forward.

Consequently, those financial assets have now been reclassified as inventory under current assets and are being measured at fair market value. This classification was made prospectively with effect from 3rd October 2024, in accordance with Accounting Standard 2 (AS 2) inventories. We believe this change provides a more accurate and relevant representation of our financial position in alignment with our strategic focus on dynamic trading in listed equity instruments.

However, as a result of this reclassification, a fair valuation of loss amounting to INR33.88 crores as of 31st March 2025 was recognized in a profit and loss account. While this is a known case accounting adjustment, it has had a material impact on our reported profitability for the

year. Despite the short-term pressures, we remain optimistic about the broader economic environment.

We expect market conditions to stabilize in the coming quarters and we believe that India continues to emerge as a resilient and attractive investment destination for the global capital. With a solid tech record, over two decades of experience, a growing base of high-quality clients and a proactive, forward-looking team, we are confident in our ability to overcome the temporary challenges and continue on our path of long-term sustainable growth. Let me now take you through the key financial highlights of the financial year 2025.

On a consolidated basis, total income stood at INR327.77 crores. EBITDA was INR34.50 crores with an EBITDA margin of 10.53. Net profit came in at INR23.67 crores with a net profit margin of 7.22%. Earnings per share stood at INR7.51 crores. On a standalone basis, total income was INR327.87 crores. EBITDA was INR34.88 crores reflecting a margin of 10.64. Profit after tax stood at INR23.93 crores with a margin of 7.30%. Earnings per share is around INR8.

Looking ahead, we see strong potential expanding our presence beyond Maharashtra and Gujarat, building a recognizable online brand and attracting both retail and high-network investors through digital channels and franchise models. We are confident that with our integrated approach, client-centric mindset, and strong technology backbone, Rikhav Securities is well positioned to evolve into a trusted and scalable financial services platform.

Before I conclude, I would like to take a moment to sincerely thank all our shareholders, investors, clients, business partners, and associates for placing their faith in us. Most importantly, I want to express my deep gratitude to our team at Rikhav Securities. Your hard work, dedication, and belief in our vision have brought us this far.

With that, I now open the floor for the question and answer session. We look forward to addressing your queries and engaging in meaningful conversations. Thank you once again for being with us today.

**Moderator:** Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Ankur Jain, an individual investor. Please go ahead.

**Ankur Jain:** Basically the results seem to be very disappointing. Your operating profit in 2022 was INR18 crores then it went to INR23 crores and in 2024 it was INR48 crores and for the first half of this year it was INR51 crores. And now we are sitting with the operating profit for the whole year as only INR25 crores.

And your operating profit margin was always around 52%. It was around 50%. And now it has come -- for the full year, it is around 8% only. So what is the reason behind it? Are we so much, like, that means volatile kind of a company which is dependent so much on the market conditions?

**Hitesh Lakhani:** Actually, our major investment in SME segments and mid cap segments, and that segment is reduced, first time in this quarter, nearly about 25%. Actually, that loss is not booked. Only the

market value of the script is reduced. So we conservatively provide that in our books. So around INR33 crores is only book loss. It is not M2M.

**Ankur Jain:** It is M2M. You must have reviewed the portfolio of that stock. From INR132 crores it has booked around INR33.8 crores loss. So what is the kind of portfolio? Do you think that there will be strength in the future in that portfolio?

**Hitesh Lakhani:** Yes, definitely there is strength in the future. And also our probe trading is also affected because of the SEBI regulations temporarily. So we have not even used our IPO proceedings up to March 31st. We have kept separately in our FD.

**Ankur Jain:** And your other income is of INR10 crores. What is it exactly and how sustainable is that?

**Hitesh Lakhani:** Other income includes FD interest and brokerage.

**Ankur Jain:** Brokerage would be the operating interest only?

**Hitesh Lakhani:** Yes, that is FD interest only.

**Ankur Jain:** And interest cost has gone 3x from INR2 crores to INR6 crores. So what is the reason when you are having the money in the FD? Then why is this interest cost going up?

**Hitesh Lakhani:** That interest cost is not interest and a bank guarantee. It is a bank guarantee.

**Ankur Jain:** Can I go ahead with the next question, sir?

**Hitesh Lakhani:** Go ahead.

**Ankur Jain:** On the asset side, there are loans and advances of INR176 crores.

**Hitesh Lakhani:** It is not a loan. It is a bank FD.

**Ankur Jain:** Okay, so it shown in the loan and advances.

**Hitesh Lakhani:** Actually, I told my auditors but they said it will come in this only. It is a bank FD. Totally it is a bank FD INR176 crores.

**Ankur Jain:** Because it was a very big concerning factor.

**Hitesh Lakhani:** It is a totally bank FD.

**Ankur Jain:** Okay, I was very much concerned about the security behind it, what is the interest rate, what are the repayment terms.

**Hitesh Lakhani:** It is a bank FD only. It is beyond any single amount to anybody else.

**Ankur Jain:** Your half-yearly results are of the second quarter, so you wrote that it is a balancing figure. So why didn't you show the real audited figures in the results?

- Hitesh Lakhani:** This is audited only.
- Ankur Jain:** No, look at the 7th point on the 5th page of your results. So in that you have written that this is the balancing figure of the transition. So along with that, you should have given the audited figure of the second half.
- Hitesh Lakhani:** No, it is audited only.
- Ankur Jain:** Okay, I will go with your statement. Then your statutory auditors have not given anything in the emphasis of matter or key audit matters when you have such a big reclassification. So what is the reason for this, sir?
- Hitesh Lakhani:** Point number 4.
- Ankur Jain:** Point number 4, yes. No, sir, I want to say that when such a big thing happens, then in the auditor's report, you have written that we have given unmodified. But in this, the emphasis of matter or key audit matters is generally mentioned by the statutory auditor when there is such a big reclassification. So nothing has been done in that. Your voice is not audible.
- Yes, okay. Would you like to tell us about that question? About key audit matters or emphasis of matter?
- Hitesh Lakhani:** Yes, audited, I think so. According to our auditor, that is sufficient for the half-yearly statement. And full audit report will be given at the time of AGM. And in the notes of accounts, we have already taken that material thing. In notes number 4.
- Ankur Jain:** Okay. So, my last question is that, sir, there are a lot of related party transactions. Amounting to INR79 crores, INR79 lakhs. So, basically, have you obtained any shareholder approval before making this?
- Hitesh Lakhani:** Yes, yes, yes, it is approved. Last 18 years.
- Ankur Jain:** Like it was before listing?
- Hitesh Lakhani:** It is before listing. After listing, there is hardly any related party transaction.
- Ankur Jain:** Okay, means because this is a big concern. Okay, this is very much concerning because 12 of your relatives are on the payroll. And we are not aware about their qualifications and all. And two of the rented properties are from related parties, which is amounting to INR90 lakhs.
- Hitesh Lakhani:** Property is there. That our offices are rented properties is there only. Because in Rikhav Securities, there is no property at all. And only 2 rented properties we have and we have paid this rent only.
- Ankur Jain:** Okay, and the amenities also have been bought from the related parties. So, there is some comparison from outside and between these related parties where you are saving money.

- Hitesh Lakhani:** Which?
- Ankur Jain:** That means like these amenities also, INR15 lakhs of expenditure has been made on amenities from related parties only.
- Hitesh Lakhani:** That is salary paid. Rent paid and salary paid. Only salary paid.
- Ankur Jain:** But in your statement, you have mentioned INR12 lakhs.
- Hitesh Lakhani:** Amenities charges is just like whatever the maintenance and furniture we have provided. This is a very nominal amount, INR3 lakhs.
- Ankur Jain:** The question is not that it is nominal or not. But I think means why all these are going to the related parties only. And have you made any comparison with other parties also whether it is cheaper to you to obtain it from related parties. Is it like that?
- Hitesh Lakhani:** Because that amenities is used by our company. Means furniture, fixtures, AC, all these, it is a cost more than INR2 crores in furniture. And this is only INR15 lakhs per year. It is more than INR3 crores worth furniture and all these things are there.
- Ankur Jain:** Okay. These are the charges for the...
- Hitesh Lakhani:** This is the charges. And the maintenance also in that amenities includes. Maintenance is also INR8 lakhs to INR9 lakhs is the maintenance out of INR15 lakhs. It is a very nominal amount.
- Moderator:** Thank you. The next question is from the line of Abhay Sharma from JC Capital.
- Abhay Sharma:** Sir my question is how did each of your core revenue streams perform sequentially in H2 and what were the key drivers of growth and weaknesses?
- Hitesh Lakhani:** In current first half, second half, current year?
- Abhay Sharma:** Second, second.
- Hitesh Lakhani:** In March '25 or after March '25?
- Abhay Sharma:** After March '25.
- Hitesh Lakhani:** After March '25.
- Abhay Sharma:** March '25, sorry.
- Hitesh Lakhani:** I am not able to understand your question.
- Abhay Sharma:** Sir my question is how did your core revenue perform sequentially in March and what were the key drivers of growth and weaknesses? Okay, sir. Sir can you share on the margin profile of your different businesses and where you see the greatest opportunity to expand margins?

**Hitesh Lakhani:** First, we are expanding. This March. We are only concentrated with the client. We have started four new lines which we are not providing before. We are offering MTF facilities to the client, margin trading facilities. Margin trading facilities to the client has been started.

**Abhay Sharma:** Okay.

**Hitesh Lakhani:** Institutional brokerage also we have started. And one minute -- so we have started with that institutional empanelment for FDIs as well as banks. Secondary thing in this is for the algo trading purposes to edge out more alpha for what do you say, the prop desk as well as the client desk. We are assessing with strategies as well as coordinating through different front mediums to kind of generate a different edge in this.

Other than that, we have also upgraded it on technology background in the sense of we have converted our local servers into co-location servers for better services to clients as well as prop accounts. So that is an additional benefit to us.

**Moderator:** The next question is from the line of Dhanraj, an Individual Investor.

**Dhanraj:** So a couple of questions. So first question is basically which digital features are most used and what enhancement or new modules you're prioritizing in the next 12 months?

**Hitesh Lakhani:** All right. So for the technology part you're talking about. Okay. So for digital medium, first we launched our app and EKYC. That is one thing. Now we are moving for EKYC to different platforms in the sense we could like onboard institutions as well as other, what do you say, different kind of structures into our company online.

So for a broking business. Secondary is this thing. The prop business wise, we are kind of developing quant strategies and so. And internally also trying to update our research team for that quant development. So we could give better, let's say, services to our clients.

Secondary is this going to co-location, as I mentioned before, that kind of enhances the latency for our clients as well as the prop. And third, like adding to it, this is better back office kind of management that we are going for. So let's say TechXL that we have right now. That gives an advanced summary of all the assets and allocation.

So that way we are kind of upgrading it, nuances, adding and interacting with our client and just giving a personalized feedback through it. So we have an in-house development team right now based out of three people who are working on it. And they are interacting one-on-one with clients and taking them back and adding those reports.

**Dhanraj:** And also one more question. As with 99% client retention, what best practices do you follow in onboarding and client relationship management that could be scaled up?

**Hitesh Lakhani:** So 99% of the client thing is there. So yes, client relation. So first is that online thing that we have. That gives a good advantage to clients who are sent anywhere out in India. So it is easier for them to onboard. Second is for tenant relation management, we have a sub-broking kind of



a module where each sub-broker is assigned to a specific number of clients. So it does not exceed a certain amount.

So a sub-broker is not levied with more than 50 amount of, 60 amount of clients which are on day-to-day interaction. So that way that relation kind of maintains on a one-to-one basis. Secondary is, this is their strength -- we have that app and this thing. So that relation kind of maintains. Third is that we are kind of now coming up with an ERP system where we could just take client feedback directly.

Which is there already in place but more engaging towards that we could call him and just ask him what he needs and then update it on such.

**Dhanraj:** Okay. So for any new client beyond Maharashtra or Gujarat, how do you plan to reach that client or what metrics will you target?

**Hitesh Lakhani:** So beyond Maharashtra and Gujarat that we have, first thing is marketing. That goes without saying. For that marketing we are kind of making a branch relation with certain let's say, people that we know in markets already. That are let's say, CA firms since our background is so. And within that sub-broker module goes hand-in-hand with that.

So let's say any of the sub-brokers from the region will reach out and kind of maintain that office relation with them. And then kind of client base over there. And marketing will start in second half that we are planning out. We have kind of allocated a certain digital marketing campaign and that we are still working on and need to finalize out.

But hopefully by next like this second half we will kind of start with it.

**Moderator:** The next question is from the line of Atul Dafria 30:40] an Individual Investor.

**Atul Dafria:** Sir, just wanted to understand why the number is showing negative on the balance sheet?

**Hitesh Lakhani:** It is overdraft facility.

**Atul Dafria:** Overdraft facility and fixed deposit is lying under loans and advances?

**Hitesh Lakhani:** Yes.

**Atul Dafria:** Ideally this would have been clubbed. But anyways -- sir, just wanted to understand why the restated financial is not submitted? Because the business has changed from non-current investment to the inventory business. So why the same has not been updated and restated financial submitted for the last year?

**Hitesh Lakhani:** Pardon?

**Atul Dafria:** Sir, restatement financials are made. Sir, the numbers are not comparative. Because the losses are visible in the inventory. So the last time the number was in the inventory, it was not there.

**Hitesh Lakhani:** You want re-stated means?

**Atul Dafria:** Yes, comparative numbers.

**Hitesh Lakhani:** Okay, comparative numbers.

**Atul Dafria:** Sir, whether your auditor highlighted this restated part?

**Hitesh Lakhani:** Sir, restated is not necessary. No reason, sir?

**Atul Dafria:** What reason you received it from the auditor?

**Hitesh Lakhani:** Because this is only -- this did not change. I don't know, but the auditor said that it is not required.

**Atul Dafria:** No, has he given any reason?

**Hitesh Lakhani:** In which case the standard is -- still, if you want, we will produce it after the...

**Atul Dafria:** It will give a clarification to the...

**Hitesh Lakhani:** We will clarify it later on. After inquiring with the auditor, we will clarify you why it's not there.

**Atul Dafria:** And sir, one last query. Mainly with respect to the change of business. So I understand the change of business happened on 3rd of October, 2024. Is that correct, sir?

**Hitesh Lakhani:** Yes.

**Atul Dafria:** And like you know, the IPO came in January 2025. But there's no clause which...

**Hitesh Lakhani:** One minute. It is just on 3rd of -- with the effect from the 3rd of October, we have converted that investment from investment to the stock. And up to 30th September, the market value of the stock is more than the cost. So, there is no need to revalue the stock. Because the market value of the stock is more than...

On 3rd of October also, the market value of the stock is more than the cost.

**Atul Dafria:** No, I understand, sir. But there was a change normally, right? In the non-current investment, on 30th September, the business would have been shown under...

**Hitesh Lakhani:** After 30th September, it was written in the balance sheet that the market value or cost, whichever is lower, we have shown. But the market value is more than the cost. So, we have not reduced that market cost. And on 31st March, the market value is lower than the cost. So, we safely means provide conservatively, we provide that loss.

**Atul Dafria:** Understood. And change of business, there is no need to have...

**Hitesh Lakhani:** There is no change of business. There is a change of the valuation means method -- means from investment to inventory. That change is made for -- one minute. That change is made for our income-tax-benefit purpose.

**Atul Dafria:** Okay. There's no -- so but there is a change of business model, right?

**Hitesh Lakhani:** No, no. It is not business model.

**Atul Dafria:** Sir, it is mentioned on the point number 4.

**Hitesh Lakhani:** Yes, yes. It's there -- technically -- it is technically it is stated, but practically it is not changing business model. Because...

**Atul Dafria:** There is no need to have a shareholder resolution in this matter? Because the business has changed.

**Hitesh Lakhani:** It is not -- business has not been changed, no?

**Atul Dafria:** No, you also have mentioned right now that there is no change of business model. As per the report, which I am reading it. Anyway, sir, this is the point which I had. And the last point is, what percentage of your total business is your market-making portion?

**Hitesh Lakhani:** Market-making portion is around 50%.

**Atul Dafria:** 5-0?

**Hitesh Lakhani:** Yes, 5-0.

**Atul Dafria:** Okay. And sir, the shares that we acquire in that, that is shown in the...

**Moderator:** Hello? Sorry to...

**Atul Dafria:** Okay, sir. This is the last point. Whatever shares we acquire in the market-making that was earlier shown in the non-current, now we are showing in the investment side. Right, sir?

**Hitesh Lakhani:** Previously, we have shown as an investment, now we have shown as an inventory.

**Atul Dafria:** Inventory, okay. And sir, do we also have F&O positions in this business?

**Hitesh Lakhani:** Outstanding F&O position?

**Atul Dafria:** F&O position in PROP?

**Hitesh Lakhani:** In PROP, F&O position is a -- most of the position is a -- whatever the RBI is doing, that F&O position is there.

**Atul Dafria:** It's there, right? Okay, sir.

- Moderator:** Thank you. The next question is from the line of Priya Jain from Green Capital. Ms. Priya Jain, your line has been unmuted. Please go ahead with your questions. As there is no response from the line of the current participant, our next question is from the line of Ashok Shah from Eklavya Invesco Family Office.
- Ashok Shah:** Sir, first of all, we have provided an evaluation done as per the 3rd October. So, as per the RFP, we have given results up to 30th September. And within 30th September was on Tuesday. On Friday, we changed and planned and accordingly, we changed the investment stock in hand [HAL 37:44]. And we changed and reported the losses. So, how this...
- Hitesh Lakhani:** Just one minute. On 3rd October, it is a gain of INR12,85,000. Total value of the stock is -- market value is more by INR12,85,000. Only on March 31st, it is a decline.
- Ashok Shah:** I agree with you. Because in the month of March, the market was down. But we have changed the methodology immediately after recording in the RFP. And also before coming out of IPO. So, before IPO, this was not announced as a curriculum or something like that. Because the system has been changed after 6 months. This result of September, which is shown in the RFP.
- Hitesh Lakhani:** Whenever in the accounts -- whenever the market value is lower than the cost, then whether it is investment or inventory, we have to report it. But there is no material impact on the result. If we continue this practice, then also we have to report that the market value is lower than the cost.
- Ashok Shah:** So, again you will be changing the process?
- Hitesh Lakhani:** No, no. In both the methods, we have to provide, if there is a -- market value is lower, then we have to provide the loss in the -- as per company law. But for the benefit of taking the income tax, there is a postponement of tax. That we have transferred investment to the stock. Because taxation if the short term is now increased to 20%, before it is 15%.
- So, taking the tax benefit, we have shown it is an investment. Now, there is not much difference between the short term capital gains and the tax on the profit. Only 2% difference is there. So, in the present instance, there is no difference.
- Ashok Shah:** So, are you confident of the business going as a good concern?
- Hitesh Lakhani:** Yes, yes.
- Ashok Shah:** Then sir, our EPS after reporting such a huge loss is also our EPS comes to INR8. So, why you have not declared a dividend to shareholders? INR8 is a very good EPS. So, as per the good corporate governance, at least INR2.50 per shareholder, 33% should be given as a dividend to the shareholders.
- Hitesh Lakhani:** Okay, we will think over it in AGM. Before AGM. Your suggestion will be think over before AGM.

**Ashok Shah:** No, before the AGM, you have to put it in the AGM permission. Then you can declare.

**Hitesh Lakhani:** Yes.

**Ashok Shah:** Otherwise, you cannot declare.

**Hitesh Lakhani:** Yes, yes.

**Ashok Shah:** Secondly, in the month of March, there was a -- price has gone down.

**Moderator:** Mr. Ashok, sorry to interrupt.

**Ashok Shah:** Only last question. So, what was the loss actually on the market making, actual loss?

**Hitesh Lakhani:** No, that is not actually. This is whatever we have provided. This is a market value. As on that day, total stock value of the stock is down. That was we have provided. We have not sold that stock. We have not sold that stock.

**Ashok Shah:** No, definitely. But you have to provide now. So, that how much amount has been out of this whatever the loss we have provided? What percentage is this? 50%, 60% is loss due to the market making?

**Hitesh Lakhani:** No, no, no. It is hardly 15% to 20%.

**Ashok Shah:** So, total loss which we provided only 20% is due to market making. And what about the other...

**Hitesh Lakhani:** No, no, not 20%. It is a debt. Means our stock value is down by 20%. Then the cost. It is below 20%. It is hardly 20%. You want bifurcation whatever the SME stock, market making stock and what is the other stock. You want that bifurcation.

**Ashok Shah:** Yes, yes, yes. So, actually what is the loss?

**Hitesh Lakhani:** That is not readily with us as on now.

**Ashok Shah:** Okay, okay. I will further come in the queue again. Thank you, sir.

**Hitesh Lakhani:** Thank you.

**Moderator:** Thank you. The next question is from the line of Shreyas Ahuja, an individual investor. Please go ahead.

**Shreyas Ahuja:** Yes. So, during the last year, so we have supported around 40 to 45 issues. So, how do you decide which new issue to market make and how do you measure success on each deal?

**Hitesh Lakhani:** For the selection of the market making?

**Shreyas Ahuja:** Yes.

- Hitesh Lakhani:** It depends on the who are the merchant makers, what is our past experience and the projection of the company and the company visit. All these things. It is a subjective matter. Both subjective and commercial.
- Shreyas Ahuja:** Okay. And the second one is what enhancement are you planning to market making, like technology or distribution network to refund liquidity in future SME IPO?
- Hitesh Lakhani:** Just now, market is not that much good. So, we are very much selective. When the market will good, then we will do that aggressively. Otherwise, we will do that conservatively.
- Shreyas Ahuja:** Yes, that is true. The market is not good right now. Yes, right. Correct. And have you automated risk management system performed under recent market stress? And are there any plan to refine underlying model? All done.
- Hitesh Lakhani:** Sorry, could you repeat? Your voice is very low.
- Shreyas Ahuja:** Yes.
- Moderator:** Shreyas, I would request you to speak a bit louder to your phone. Mr. Shreyas>
- Shreyas Ahuja:** Now, am I audible?
- Moderator:** I would request you to speak a bit louder to the phone.
- Shreyas Ahuja:** Okay. So, my question is how have you automated risk management system performed under recent market stress? And are there any plan to refine underlying model?
- Management:** Just to clarify, this automated system are you talking for trading purposes, RMS purposes or which side?
- Shreyas Ahuja:** Trading purposes.
- Management:** So, for trading purposes, automation for back office and front office is as it is through the app, as well as back office software that is there. For enhancement, we are making client interactions and tracking what is to be needed and what client needs for easier access to the market and we are providing that.
- If you ask about risk management purposes, then we have certain risk management performance in the system of a multilevel producer system where we have a single software which is ODIN on which there is a client side RMS policy that we have defined upon which there is an overall N Prime software which is there that we have implemented to get an overall view of the whole clientele as well as prop.
- And third would be in case if there is a, what do you say, default or let's say it exceeds the margin limits or so, the auto stop of the trading and everything happens automatically. That is already there.

**Shreyas Ahuja:** Okay. That's it from my side. Thanks.

**Management:** Anytime.

**Moderator:** Thank you. The next question is from the line of Priya Jain from Green Capital. Please go ahead. Ms. Priya Jain, your line has been unmuted. Please go ahead with your question.

**Priya Jain:** Yes. Good afternoon.

**Management:** Good afternoon

**Moderator:** Priya, I would request you to speak a bit louder, please.

**Priya Jain:** Yes. So, my question is, you have rolled out a paperless e-KYC and RikhavPlus app. What adoption rate and client satisfaction metric you are seeing so far?

**Management:** So, for the e-KYC module, I would say that satisfaction is coming from the sub-broker module which are kind of interacting directly with the client. They have an ease of access that now it has become paperless and more and more accounts are kind of easily getting integrated with us. For the front end, you could say for the app, we already have our iOS and Android ratings which have come around to 3 plus.

So, as on then, we are kind of interacting with our clients personally as well and interacting with every comment that, okay, this has to be changed or they need such. So, adoption rate right now it is whatever we had as a, what do you say, offline client which were kind of doing call-and-read that are kind of almost getting shifted to online medium.

**Priya Jain:** Okay. Good to know. And since launching MTF, what has been the incremental revenue investment? How are you balancing growth and leverage with credit risk?

**Hitesh Lakhani:** At credit risk, that was totally we have done our policy and through software, we are managing the credit risk for MTF.

**Priya Jain:** Okay, sir. That's it from my side.

**Hitesh Lakhani:** Thank you.

**Priya Jain:** All the best.

**Moderator:** Thank you. Thank you. The next question is from the line of Devender Bindal, an individual investor. Please go ahead.

**Devender Bindal:** Thank you. Let me ask the question. So sir, my question related is like, what is - how should we make the business going forward?

**Moderator:** Sorry to interrupt, Mr. Devender. I would request you to speak a bit closer to your phone. You are not very audible.

- Devender Bindal:** Yes. So, I wanted to ask, what is the, like, what are the, we are targeting for, like, the next year? So, currently, like, this may be, like, the loss of, like, you move, like, investment to inventory, like, for the tax-saving purpose and all. But what is, like, our view in the next, like, for the next complete financial year or financial year '26?
- Hitesh Lakhani:** It depends on the market condition, but we are hopeful to have more than the -- more numbers than the '25.
- Devender Bindal:** So, more numbers in terms of top-line or bottom-line both?
- Hitesh Lakhani:** Bottom-line only. Top-line is not very much effective. Bottom-line only. Because in stock trading business, turnover may be large or sometimes less. But the, ultimately, bottom-line is important and bottom-line will be - we hope that it is more than what we have seen in the March '25.
- Devender Bindal:** But March '25, like, after considering, like, these losses, right? So, like, March '25, after considering this, like, inventory.
- Hitesh Lakhani:** That loss, we hope that up to September it will be covered. Loss, that means, price will be increased up to September.
- Devender Bindal:** Okay. So in like March...
- Hitesh Lakhani:** Just now -- just now also, we have covered, as of today, about INR10 crores to INR12 crores.
- Devender Bindal:** INR10 crores to INR12 crores was out of INR33 crores, right?
- Hitesh Lakhani:** Yes.
- Devender Bindal:** Okay. So, like, so, right now, like, as we see, like, that, so, like...
- Moderator:** May we request that you return to the question queue for follow-up questions, as there are several participants waiting for the turn?
- Devender Bindal:** Sure, sure. Okay.
- Moderator:** Thank you. The next question is from the line of Dhruv Gala from Arihant Capital. Please go ahead.
- Dhruv Gala:** So, what is your visibility for future? Like, it will be this fluctuating, like, profit and loss or revenues and top line, bottom line will be stable?
- Hitesh Lakhani:** No, no, bottom line will be stable. Definitely. We are taking many steps for the stable stability.
- Dhruv Gala:** Okay. Any guidance?
- Hitesh Lakhani:** No guidance. In stock market, guidance is very difficult.



**Dhruv Gala:** Okay. Thank you.

**Moderator:** Thank you. The next question is from the line of Hrithik Singh, an individual investor. Please go ahead.

**Hrithik Singh:** Good afternoon, everyone. Am I audible?

**Hitesh Lakhani:** Yes, yes.

**Hrithik Singh:** So, my question to you is, why didn't you mention segment-wise revenue? If you are comparing yourself to ShareIndia, Alacrity, AngelOne, Pune E-Stock, they all mention these details. But you didn't mention segment-wise revenue in this current FY results.

**Hitesh Lakhani:** Okay. You want segment-wise revenue means? From...

**Hrithik Singh:** Segment, like in proprietary and all these new ones.

**Hitesh Lakhani:** Okay. We will take your suggestion in our record and we will try to give that. We will definitely give it next segment-wise.

**Hrithik Singh:** Okay. So, in expenses, you have mentioned purchase of shares are INR364 CR, which was zero in previous years. How much percentage do you hold as of now? These 364 out of INR364 crores shares, how much percentage do you hold now? Can we see big profits in future like INR100 to INR200 CR? If you hold majority of them right now, can we see big profits?

**Hitesh Lakhani:** I don't understand.

**Hrithik Singh:** How much percentage of share you hold? You have shown purchase of share as INR364 CR in expenses. How much percentage do you hold right now out of these INR364 CR?

**Hitesh Lakhani:** As of 31st March, the post value is around INR145 crores and market value is around INR116 crores, 116.

**Hrithik Singh:** Okay. Inventory, you have mentioned INR111 CR in inventory.

**Hitesh Lakhani:** Yes, yes.

**Hrithik Singh:** Sir, you have made big profits in Ganesh Infraworld, Shiv Texchem, Fabtech Cleanrooms, Identical Studios, and Beezaasan Explotech and Descpro Bizarshan 54:08], Exprotech, Desco. Sir, where has that profit gone?

**Hitesh Lakhani:** Yes, means it is not totally booked. It is not booked.

**Hrithik Singh:** It is not booked yet?

**Hitesh Lakhani:** May partly booked, partly not booked.

**Hrithik Singh:** Okay. Sir, are you aware that your share went from INR172 to INR65, right?

- Hitesh Lakhani:** Yes, definitely we are aware.
- Hrithik Singh:** With huge anchor selling, even below issue price, that is around INR72 to INR75. So, are there institutions not willing to give money?
- Hitesh Lakhani:** Actually, we are not doing anything in secondary market and we are not supposed to do this. But in long run, our result will speak and market will stable.
- Hrithik Singh:** Are you expecting profit margin jump in next half year result?
- Hitesh Lakhani:** Yes, yes.
- Hrithik Singh:** Like, in H1 you mentioned 68% profit. But after that margin went down below 10% right now. How much are you expecting? Mean, bigger, means, 50%? Around 50%?
- Hitesh Lakhani:** 50% depends on the market. Actually, last -- since Corona, this is the first time the market is in such situation. Otherwise, it is totally booming and the SME market is also booming. So, that's why that profit comes in. But this is the first time. In every stock, everyone had loss. It's not like we have only had loss.
- Hrithik Singh:** Sir, in previous years, you have shown 50% margin. But this time, you have shown only loss. It's not shown, it's actually shown.
- Hitesh Lakhani:** Not shown, what actually happened that was written. For the conservative point of view, we provide the post or market value, which is very less. So, we have provided that loss.
- Hrithik Singh:** Will the margin increase in future and stabilize?
- Hitesh Lakhani:** Yes, it will definitely increase.
- Hrithik Singh:** Sir, why don't you plan for an app, like Angel One and Zerodha? Because customers who are nowadays they want a good UI. But I have seen your app and its UI is not good. So, are you planning for a good app, like Dhan? There are a lot of apps that are doing very well and their UI is very good. So, can you bring an app like that? Because you have a lot of reserves. You can do a certain of investment. Then you can increase it by doing digital marketing. So, are you planning to bring an app, like Angel One or kind of similar app?
- Management:** So just to kind of interact in this, hence, what is that specific thing that you're looking for in UI change. Because there is a lot of things, lot of people do differently. We have a basic encouragement in the sense that whatever is there it caters to the basic needs of the single person. But now, if you want a certain specific thing in your kind of medium, then is there any specific changes that you are requesting for?
- Hrithik Singh:** User interface is not interactive much.
- Management:** UI interface, is it not responsive or is it not interactive?

**Hrithik Singh:** It's not responsive, but it doesn't seem interactive.

**Management:** For responsive purposes, I could assure we have -- our testers as well that have kind of seen in different mobiles and different what do you say, viewscapes that they have tested it for. And it is responsive. For interactive purposes, is there a specific need that you have that we could include? Then that would be appreciated.

**Hrithik Singh:** Like graphs, proper and dark. Like dark mode is coming in every app these days. So, dark mode should also be included.

**Management:** Graph mode. All right. Okay, we'll include that. Okay. So, in graph mode, you are...

**Hrithik Singh:** There is graph and dark mode. Both are there.

**Management:** Graph and?

**Hrithik Singh:** Dark mode and the screen goes black.

**Management:** Okay, black mode you are saying.

**Hrithik Singh:** Yes. Yes, sir.

**Management:** I think there is a setting in which you could turn it off and change it to black mode already.

**Hrithik Singh:** Okay. Okay, so thank you for answering my question.

**Management:** All right. Welcome.

**Hrithik Singh:** Thank you.

**Management:** And you could leave out comments out on this thing and interact there as well. Thank you.

**Moderator:** Thank you. Due to time constraints, I would now like to hand the conference over to Mr. Ganesh Nalawade. Thank you. And over to you, sir.

**Ganesh Nalawade:** Thank you everyone for joining the conference call of Rikhav Securities Limited.. If you have any queries, you can write us at [research@kirinadvisors.com](mailto:research@kirinadvisors.com). Once again, thank you everyone for joining the conference call.

**Moderator:** Thank you. On behalf of Kirin Advisors Private Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.

**Hitesh Lakhani:** Thank you. Thank you to overall.